

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL NAHA

AMEMBASSY MOSCOW

INFO CINCPAC

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GOVGUAM

XMT AMEMBASSY SUVA

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SUBJECT: JANUARY 6 EA PRESS SUMMARY

1. INDOCHINA/THAILAND

NEW CAMBODIAN CONSTITUTION ESTABLISHES ASSEMBLY DOMINATED BY FARMERS, GUARANTEES RELIGIOUS FREEDOM EXCEPT FOR "REACTIONARY" CREEDS; SIHANOUK APPARENTLY WON'T HAVE GOVT ROLE (WSJ; WP; AP, SUN; REUTER, NYT). WEIGHING OF ASSEMBLY IN FAVOR FARM SECTOR INDICATES STRESS KR PLACE ON AGRICULTURE, "PEASANT REVOLUTION" (AP, SUN). CONSTITUTION, HAILED BY SIHANOUK, GIVES MAJOR ROLE TO ASSEMBLY OF 150 FARMERS, 50 WORKERS, 50 SOLDIERS (REUTER, NYT). KR EXPECTED CONSOLIDATE POWER QUICKLY UNDER NEW CONSTITUTION, WILL IN EFFECT ABOLISH GRUNK. FUTURE SIHANOUK ROLE UNCERTAIN (REUTER BANGKOK).

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LAOS ADOPTS DEC 2 AS NEW NATL DAY TO MARK DATE ABOLITION MONARCHY, PROCLAMATION PEOPLE'S REPUBLIC (REUTER, NYT).

NVN, JAMAICA ESTABLISH DIP RELS AT AMBASSADORIAL LEVEL

(REUTER, NYT). USSR AIDE DETAILS PLANS HELP HANOI
ON BIG SCALE WITH PROJECTS IN POWER, CHEMICALS, ENGINEERING,
COAL, BUILDING MATERIALS, FOOD (UPI, NYT).
SAIGON COURT SENTENCES 2 "DANGEROUS CRIMINALS" TO DEATH

FOR ROBBERY; PAIR SOUGHT BY FORMER GVN POLICE (AFP,
NYT).

RUSSIAN WESTERNS, DEPICTING CAVALRY FIGHTING INDIANS,
LIFE ON US FRONTIER, SHOWING IN SAIGON, BANGKOK
(SOUTHERLAND, CSM).

STRIKING TRADE UNIONISTS, OPPOSITION PARTIES PRESS
POLITICAL CAMPAIGN THAT COULD FORCE KUKRIT CABINET
RESIGN. UNIONS CALL RALLY TO S'PPORT STRIKE, OPPOSITION
PARTIES PREPARED CALL EMERGENCY SESSION PARLIAMENT
TO DEBATE NO-CONFIDENCE MOTION (REUTER, NYT).

2. BURMA

OFFICIALS SAY OVER 200 REBELS KILLED IN PAST 2 MOS,
INCLUDING MEMBER BCP, GUERRILLAS IN NE SHAN STATE
(REUTER RANGOON).

3. PHILIPPINES

TWO FIL GUNMEN HELD JAL DC-8, CREW 10 HRS AT MANILA
AIRPORT, THEN SURRENDERED TO AUTHORITIES EARLY TUESDAY.
HIJACKERS DEMANDED BE FLOWN TO TOKYO, RELEASED 200
PASSENGERS AFTER 5 HRS; GAVE UP WHEN GOJ REFUSED GRANT
PERMISSION LAND IN TOKYO (WP; NYDN; NYT; AP, SUN; WSJ).
GOP OFFICIALS REFUSE DISCLOSE MOTIVE (NYT).

4. TIMOR/INDONESIA

PRO-INDO FORCES CAPTURE TOWN (WP) 36 MI FROM DILI;
FRETILIN TROOPS PUT UP NO RESISTANCE, SURRENDERED
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(AP, NYDN).

BANK AMERICA LEADS GROUP OF 33 IN 162 MILLION DOL LOAN
TO GOI TO DEVELOP SATELLITE-ORIENTED TELECOMMUNICATIONS
SYSTEM (WSJ).

5. MALAYSIA

TOURISM HEADED FOR ANOTHER RECORD YR IN LATE-COMER
MALAYSIA, DESPITE DECLINE IN REVENUES MANY WORLD
TOURIST HOTSPOTS. ATTRACTIONS INCLUDE "MYSTERIOUS
ALLURE,- DECLINING NUMBER PLACES OPEN TO WESTERNERS
IN ASIA. SOME 564,000 FOREIGNERS VISITED COUNTRY IN

FIRST 6 MOS 1975 (UPI, GLOBE 1/4). PARR (GLOBE 1/4)
DESCRIBES DIVERSIONS, INTERESTING PLACES VISIT.

6. BRUNEI

BRUNEI FEARS MALAYSIAN INTERVENTION, CHARGES GOM
PLANNING UPRISING IN STATE AS EXCUSE DIRECT INTERFERENCE
LIKE JAKARTA'S ACTION IN TIMOR. KL SUPPORTS BANNED
PEOPLE'S PARTY APPEAL AT UNGA THAT BRUNEI UK COLONY,
SHOULD BE GIVEN OPPORTUNITY VOTE FOR INDEPENDENCE.
BRITISH MAINTAIN AGREEMENT ON FOREIGN AFFAIRS, DEFENSE,
REJECT IDEA BRUNEI COLONY; DO NOT APPEAR GREATLY
CONCERNED AT PRESENT SITUATION (WP).

7. JAPAN

TREASURY MONDAY RULED JAPAN NOT SUBSIDIZING CONSUMER
ELECTRONIC EXPORTS TO US, WHICH TOTALED 1.7 BILLION
DOLS IN 1974 (WSJ, WASHINGTON). ASST TREAS SECY
MACDONALD SAID THERE "AN UNUSUAL ARRANGEMENT" AMONG
GOJ, BANKS, INDUSTRY IN JAPAN, BUT NO EVIDENCE VIOLATES
US TRADE LAWS (UPI, NYT, WP). NOT DIRECTLY RELATED
IS PENDING 900-MILLION DOL ZENITH SUIT AGAINST
JAPANESE TV SET MAKERS, ALLEGING VIOLATION US ANTI-
TRUST LAWS (CHITRIB).

SONY MONDAY NAMED FOUNDER MASARU IBUKA HONORARY
CHAIRMAN. OTHER FOUNDER AKIO MORITA NAMED CHAIRMAN,
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REMAINS CHIEF EXECUTIVE OFFICER. KAZUO IWAMA ELECTED
PRES, CHIEF OPERATING OFFICER (AP, TOKYO) MORITA TOLD
PRESS REFLECTS FIRM'S MOVE INTO WORLD-WIDE MANUFACTUR-
ING, MARKETING (NYT). ADDED ALL MAJOR EXPANSION
FOR TIME BEING WILL BE ABROAD (WSJ).

JOC'S TEFLER IN TOKYO FORESEES GOOD OPPORTUNITIES FOR
US, OTHER FOREIGN FIRMS IN JAPAN, EVEN THOUGH MANY
BUSINESS, BANKING LEADERS EXPECT LITTLE "PUNCH" FROM
GOJ STEPS TO REFLATE ECONOMY. SOME ENCOURAGEMENT SEEM
IN SHARP REDUCTION IN RATE OF INFLATION.

mitsui and co plans use UK EXPORT CREDIT GUARANTEE
DEPA DEPT FINANCING TO COVER NEARLY HALF OF 450
MILLION DOL COST OF THREE-PLANT FERTILIZER COMPLEX
IN POLAND. UK, FRENCH GROUPS ALSO BIDDING ON SAME
PROJECT (JOC, TOKYO).

POLICE SAID OVER 144,000 JAPANESE STREAMED INTO PALACE
GROUNDS FRIDAY TO GIVE NEW YEAR GREETINGS TO EMPEROR;
NUMBER 40 PCT HIGHER THAN LAST YEAR (UPI, LAT 1/3).

8. KOREA

LAT (1/1) REPRINTS INTERVIEW OF UNC GEN HOLLINGSWORTH BY CDN'S BEECH -- ALLOWED HE COULD HANDLE ANYTHING COMING OVER DMZ, BUT NKOREANS COULD CAUSE HIM "LONG SUNDAY AFTERNOON" IF THEY CAME THROUGH TUNNELS UNDER IT, STARTED "POPPING OUT OF THE GROUND ALL OVER THE PLACE.'

9. CHINA

IN REPORT ON SPECULATION ANNE ARMSTRONG MAY BE NAMED ENVOY TO BRITAIN, NYT'S GWERTZMAN SAYS DOS OFFICIALS STATE WH HAD RECENTLY INSISTED POLITICAL APPOINTEES BE GIVEN FIRST PREFERENCE FOR AMBASSADORSHIPS. REPORTS THEY SAID, FOR INSTANCE, THAT WH LOOKING FOR POLITICAL PERSONAGE FOR USLO.

FORTY-FIVE-MINUTE COLOR DOCUMENTARY, "CHAIRMAN MAO UNCLASSIFIED

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MEETS HIS GUESTS, JULIE AND DAVID", ATTRACTING LARGE PRC AUDIENCES. DECISION TO GIVE EISENHOWERS' VISIT FULLEST POSSIBLE PUBLICITY IN KEEPING WITH STYLE OF THEIR RECEPTION, WHICH PEKING OBSERVERS SAY "ALMOST AS IF THEY WERE HEADS OF STATE." USLO HAD LITTLE CONTACT WITH EISENHOWERS DURING DEC 29-JAN 2 STAY; NO MEMBER USLO PRESENT AT COUPLE'S MEETING WITH MAO (NYT).

TWELVE-MEMBER CODEL LEFT PEKING WITHOUT MEETING MAO; IN KWEILIN MONDAY. IN SZECHWAN, SAID ITS DEPUTY LEADER, REP MINK, HAD OFFERED GROUP'S HOST, PEOPLE'S INSTITUTE FOR FOREIGN AFFAIRS, SET OF BOOKS ABOUT US, INCLUDING CONSTITUTION (NYT).

SUN'S ISAACS, IN HK, REPORTS PRC, CONTINUING CAMPAIGN AGAINST US-SOVIET DETENTE, MONDAY DENOUNCED "WESTERN MONOPOLY CAPITALISTS" INVOLVED IN WHEAT SALES, OTHER TRANSACTIONS WITH SOVIET.

NEWLY-FORMED INTERNATIONAL AMATEUR BASEBALL ASSN NAMES TAIPEI SITE OF SEPT WORLD CHAMPIONSHIPS (REUTER MEXICO CITY).

10. AUSTRALIA

NEW FAMILY ACT BECAME LAW MONDAY. PROVIDES DIVORCE ONLY FOR "IRRETRIEVABLE BREAKDOWN" OF MARRIAGE, AFTER 12-MOS SEPARATION, IF UNCONTESTED. HUNDREDS LINED UP AT SPECIAL INFO COUNTERS (CSM; AP, NYDN).

MEXICAN DESERT INST REPORTS MEXICAN BEETLES SENT TO AUSTRALIA, TO HELP CONTROL OVERGROWTH OF PRICKLY PEAR CACTUS WHICH EXPORTED EARLIER TO BUILD NATURAL FENCES (AP, NYDN).

VICKERS (CSM) IN SYDNEY NOTES PRICELESS, IRREPLACABLE RELICS ROTTING IN AUSSIE MUSEUMS BECAUSE OF INADEQUATE STORAGE SPACE, STAFF, MONEY. SOME COLLECTIONS HAVE BEEN LOST FOREVER.

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PACIFIC ISLANDS

11.

UPI'S ROBT MILLER (WP 1/4, LAT 1/4) VISITS KWAJALEIN AFTER US RECENTLY REMOVED WRAPS FROM TOP-SECRET MISSILE RANGE BASE FOR FIRST TIME SINCE WWII. MILITARY ASSIGNED SWORN NEVER DISCLOSE ANYTHING ABOUT ICBM TESTS, VISITS BY CLOSE RELATIVES FORBIDDEN. CIVILIAN CONTRACTORS ALSO RIGOROUSLY SCREENED. RANGE HAS MONITORED TESTS OF ALL OFFENSIVE, DEFENSIVE MISSILE SYSTEMS DEVELOPED BY US, INCLUDING SPRINT, SPARTAN. FOUND AS MANY MATHEMATICIANS, SCIENTISTS, PHD'S AS AT PRINCETON AMONG 3,428 AMCITS, WHO SEEM MORE INTERESTED IN BOWLING, SOFTBALL THAN SOV ELINT SPY SHIP THAT HAS BEEN SITTING OUTSIDE THREE-MILE LIMIT FOR YEARS.

CSM'S SITOMER IN HONOLULU REPORTS PLANS BY NEWLY FORMED PACIFIC ISLANDS DEVELOPMENT COMMISSION TO PROMOTE TOURS FROM CROWN JEWEL OF PACKAGE -- HAWAII -- TO EIGHT OTHER LITTLE JEWELS -- FIJI, COOK ISLANDS, W SOMAA, TONGA, NAURU, AMERICAN SANOA, TTPI, GUAM. BELIEVE HAS POTENTIAL BECOME "MOST VISITED DESTINATION" AREA IN WORLD.

12. GENERAL

ATLANTIC AND GULF-SINGAPORE, MALAYA, THAILAND CONFERENCE, ATLANTIC AND GULF INDONESIA CONFERENCE DECIDE RAISE RATES 12.5 PCT APR 1 (WSJ, NY).

ADB REINSTATES OFFERING OF 75 MILLION DOLS WORTH FIVE-YR NOTES IN US, FOR JAN 14; POSTPONED FROM NOV DUE UNFAVORABLE MARKET CONDITIONS. UNDERWRITERS LED BY KUHN LOEB, FIRST BOSTON (WSJ, NY).

COMMENT AND ANALYSIS

13. CHINA

LAT'S ELEGANT, IN HK (JAN 4), SEES CHINESE DISPLAYING REALISM, SKILL, IN "BRILLIANT HANDLING OF THEIR PRESENT

ESSENTIALLY DISADVANTAGEOUS POSITION" IN WORLD POWER
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STRUGGLE; ALTHOUGH VIRTUALLY COMMITTED TO WEST AGAINST SOVIET, THEY ENHANCE OWN POSITION BY KEEPING TWO SIDES GUESSING. PRC BOW TO WEST, FEINT TO EAST SUCCEEDED BY FEINT TO WEST, BOW TO EAST. CHINESE PRESS RECENTLY CAME OUT WITH TWO OF SHARPEST ATTACKS EVER LEVELLED AGAINST SOVIET, BUT SANDWICHED BETWEEN WAS REMARKABLE GESTURE OF RETURNING THREE-MAN SOVIET HELICOPTER CREW AND AIRCRAFT THAT STRAYED INTO CHINESE TERRITORY MORE THAN YEAR AGO; GESTURES UNDOUBTEDLY INTENDED REMIND US PEKING COULD, IF IT WISHED, SEEK RAPPROCHEMENT WITH SOVIET. CHARACTERISTIC TACTICAL MANEUVERING DESIGNED INDUCE NERVOUS WEST CONTINUE AND EXPAND MIL/COMMERCIAL RELATIONS WITH PRC.

JAN 3 HK ELEGANT DISPATCH FINDS PRC CLEARLY DEFINED ITS POLICY FOR 1976 IN NEW YEAR'S EDITORIAL IN GOVT PUBLICATIONS, IN TWO PREVIOUSLY UNPUBLISHED MAO POEMS AND IN FRONT-PAGE NEWSPAPER REPORT OF RECEPTION CHAIRMAN GAVE JULIE/DAVID, INCLUDING EXTENSION OF NIXON INVITATION TO VISIT PRC AGAIN. INTERNATIONALLY, POLICY CALLS FOR RESISTANCE TO SOVIET'S DOMINANCE AND COOPERATION WITH US; DOMESTICALLY, CALLS FOR ALL-OUT EMPHASIS UPON ECON PROGRESS WITHIN FRAMEWORK OF PEKING'S UNIQUE PROLETARIAT DICTATORSHIP.

NYT'S LELYVELD (JAN 4) NOTES TWO-WAY SINO-US TRADE, WHICH HAD REACHED 935 MILLION DOL PEAK IN 1974, WAS SLASHED IN HALF IN 1975 TO ABOUT 450 MILLION. FEELS DECLINE SERVED DEFINITE ECON PURPOSE, SINCE PEKING WAS PROBABLY WRESTLING WITH FOREIGN-EXCHANGE PROBLEM AS RESULT OF SUBSTANTIAL PURCHASES OF ADVANCED INDUSTRIAL EQUIPMENT FROM JAPAN, WE; BUT TRADE FIGURES COULD ALSO EASILY BE INTERPRETED AS PRC MESSAGE THAT US CANNOT ENJOY SUBSTANCE OF FULL RELATIONSHIP WITHOUT CONCEDING ITS FORM--FULL "NORMALIZATION" RELATIONS. BARRING SUDDEN CHANGE IN SINO-US POLITICAL RELATIONS, OUTLOOK NOW IS FOR STEADY BUT UNSPECTACULAR GROWTH IN TRADE.

PETER WEINTRAUB OF "US CHINA BUSINESS REVIEW" NOTES

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FEW US OR FOREIGN COMPANIES HAVE BEEN ABLE JUSTIFY MONETARY OR MANPOWER EXPENSE OF ESTABLISHING ONGOING PRESENCE IN PRC. YET CHINESE NOT AVERSE TO PERMITTING OVERSEAS BUSINESS REPS THERE OVER LONG

PERIOD OF TIME, SUBJECT TO CERTAIN LIMITATIONS: ABSENCE
OFFICIAL ACCREDITATION MEANS FOREIGN BUSINESS RESIDENT'S
STATUS IN PRC IS SAME AS THAT OF ANY OTHER NON-DIPLOMATIC
VISITOR; THERE IS NO REAL OFFICE SPACE, AT LEAST AS
TERM UNDERSTOOD IN NY, LONDON OR TOKYO -- ALL COMPANY
REPS LIVE IN ONE OF HOTELS RESERVED FOR FOREIGNERS;
THERE IS NO GUARANTEE FIRM'S LOCATION WILL BE PERMANENT;
AND EXCEPT IN VERY SPECIAL CASES, SUCH AS FOREIGN
AIRLINES, PRIVATE COMMUNICATIONS OUTLETS DO NOT EXIST.
DESPITE THESE RESTRICTIONS, NUMBER OF COMPANIES
HAVE ESTABLISHED ONGOING OPERATIONS IN PRC, AND
WEINTRAUB OUTLINES EXAMPLES HOW BOEING, ITOH, EAC OF
COPENHAGEN AND HOUSTON-BASED BAKER TRADING COMPANY
COPE (NYT JAN 4; EXCERPTED IN CHITRIB, SUN JAN 5).

NYT'S BUTTERFIELD (HK JAN 5) OBSERVES PRC, IN AMBITIOUS,
PRAGMATIC EFFORT TO SPUR RURAL DEVELOPMENT, HAS
EMBARKED ON WHAT NOW APPEARS ITS MOST IMPORTANT AGRIC
CAMPAIGN SINCE GPCR. IN LAST FEW MONTHS, ABOUT
MILLION ACTIVISTS HAVE BEEN SENT TO COUNTRYSIDE TO
HELP WITH PRODUCTION, WHILE MILLIONS OF PEASANTS
HAVE BEEN ASSIGNED TO WORK OVERTIME TO OPEN NEW
FARMLAND OR IMPROVE IRRIGATION FACILITIES.

TORONTO GLOBE AND MAIL'S MUNRO, IN SHUN I, VISITS
HSUANWU DISTRICT'S AGRIC SCHOOL FOR CADRES, FINDS
THEY DEVOTE FOUR HOURS A TO MANUAL STUDY AND FOUR
TO POLITICAL STUDY DAILY. WORK DOES NOT APPEAR VERY
STRENUOUS, THEY LAUGHED, SMILED, GOING ABOUT JOBS.
BUT HARD FOR SHORT-TIME VISITOR GUAGE EFFECT SIX MONTHS
IN RURAL RETREAT IS HAVING ON CARDES' POLITICS (WP
JAN 4; EXCERPTED IN NYT JAN 4).

GERALD TANNEBAUM (CDN) SAYS PRC, "JOHNNY-COME-LATELY"
IN CONCERN FOR QUALITY OF AIR/WATER, IS MAKING SHARP
GAINS IN ANTI-POLLUTION PROGRAM, WITHOUT HINDERING
DRIVE TO INDUSTRIALIZE COUNTRY'S ECONOMY AND MODERNIZE
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AGRICULTURE (STLP-D 12/28).

WM BUCKLEY (PHILA BULLETIN 12/26) NOTES PRES FORD NOT
RECORDED AS HAVING RAISED WITH PRC HOSTS MATTER OF
CHINESE WHO FLEE TO HK ASYLUM. SUGGESTS PRES
HANDICAPPED BY INABILITY MENTION TO PEKING THAT REFUGEES
FLEEING MOIST TOTALITARIANISM.

WSTAR'S NOYES (JAN 4) CITES SPECULATION US PREPARING
ADOPT "JAPANESE MODEL" OF FORMAL RELATIONS WITH PRC,
TRADE/CONSULAR FACILITIES IN TAIPEI. MAINTAINS WHILE
THIS MAY BE HAK'S INTENT, THERE ARE FORMIDABLE
OBSTACLES, INCLUDING US PUBLIC OPPOSITION, TO SUCH
MOVE BECOMING POLITICALLY FEASIBLE. FINDS IT HARD

TO SEE WHAT ADMIN CAN THINK IT WOULD GAIN BY "SELL-OUT,
"CYNICAL BETRAYAL" OF ROC.

14. HONG KONG

LAT'S ELEGANT (1/2) CALLS HK "PLACE OF PASSAGE,"
WONDERS WHAT WILL HAPPEN TO PEOPLE OF COLONY WHEN NEW
TERRITORIES REVERT TO PRC IN 1997. JOC'S STRAUSS
REPORTS "SIGNIFICANT" THOUGH "SMALL AND EXPERIMENTAL"
HK SALE OF NIGHTSOIL TO PRC BEGINS.

15. MACAO

LAT'S ELEGANT (1/1) AT MACAO NOTES DEPARTURE LAST
PORTUGUESE TROOPS, MUSES OVER HISTORY ARMED COLONIALISM
IN ASIA, HISTORY OF MACAO (ALSO IN GLOBE 1/4).

15. SINGAPORE

CSM'S FREEMAN AT SINGAPORE REPORTS HIGHLY VISIBLE
PROJECTS TO LURE MORE VISITORS, BEGUILE THEM INTO
STAYING LONGER. NOTES SUCCESS OF EFFORTS, WITH
OVER 10-PCT INCREASE IN VISITORS ANNUALLY FOR PAST 10 YRS.

WSTAR'S CRUTCHER (1/5) INTERVIEWS LEE KUAN YEW AT
SINGAPORE, GETS HIS VIEWS ON NEW SITUATION IN SEA,
RELS WITH PRC, INTERNAL PROBLEMS (IN USIA WIRELESS
FILE).

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16. INDOCHINA

HILL (GLOBE 1/2) CRITICIZES PROJECTED FRANCIS FORD
COPPOLA MOVIE "APOCALYPSE NOW" THAT WILL DEPICT VN
WAR'S BRUTALIZING EFFECT ON AMERICANS WHO FOUGHT THERE.
BELIEVES FILM WILL HAVE HARMFUL CONSEQUENCES FOR VN
VET CAUSE.

17. THAILAND

LAT'S MCARTHUR (1/4) AT BANGKOK SEES MURKY FUTURE FOR
THAILAND. BELIEVES THAIS CONSIDER FUTURE UNPROMISING,
TRY HOPE INSTEAD OF MEDICINE IN WAKE INDOCHINA
UPHEAVALS. CALLS KUKRIT'S STYLE INDECISIVE, SAYS HE

SURVIVES BY REFUSING BELIEVE DOMESTIC TROUBLES
BAD AS THEY ARE, OPINES HE REFLECTS SECSTATE'S
ASSESSMENT OF SITUATION. QUOTES ANALYST THAT THAILAND'S
PROSPECTS POLITICALLY POOR, ECONOMICALLY QUESTIONABLE,
MILITARILY HOPELESS. NOTES HAK SEES SEA COHESION
IN ASEAN, BUT MCARTHUR CALLS IT "WEAK REED."
OPINES RTG'S ALMOST TOTAL RELIANCE ON DIPLOMACY IS

PERILOUS COURSE WITHOUT INTERNAL POL, ECON, MIL STRENGTH.
BELIEVES MIL RULE LARGELY DISCREDITED WITH THAI
PEOPLE, BUT KUKRIT CAN BARELY KEEP PRESENT SYSTEM ALIVE.

CSM'S SOUTHERLAND QUOTES THAI OFFICERS THAT THAILAND
IS NEXT DOMINO IN HANOI'S GAME OF DOMINATING AREA.
BELIEVES DRAMATIC INCREASE IN NVN SUPPORT FOR
THAI INSURGENTS CERTAIN. NOTES INTELL EXPERTS LOOK
FOR EVIDENCE SHIPMENT US-MADE WEAPONS INTO THAILAND,
BUT NO INDICATION SO FAR. CONSIDERS NE INSURGENCY
GREATER THREAT TO STABILITY DESPITE UPSURGE IN SOUTHERN
GUERRILLA ACTIVITY. QUOTES CONSENSUS THAT NVN ARMY
COULD MAKE QUICK WORK OF RTG TROOPS, BUT ALMOST
EVERYONE RULES OUT DIRECT ATTACK BY HANOI. EXPECTS PRC
CONTINUE SUPPORT COMMUNIST INSURGENTS, THOUGH KUKRIT
BELIEVES NVN SUPPORT MORE IMPORTANT.

18. GENERAL
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WSJ EXAMINES PHILOSOPHIC ISSUE WHETHER PRIVATE PROFIT-
MAKING FIRMS CAN COMPETE IN WORLD MARKETS WITH STATE-
OWNED, STATE-SUBSIDIZED PRODUCERS. INTER ALIA, NOTES
US STEEL INDUSTRY "PARTICULARLY ANNOYED" BY FACT UK,
SWEDEN, JAPAN, OTHERS FIND WAYS KEEP DOMESTIC MILLS
RUNNING, EXPORTING AT US EXPENSE, AND HAVE APPEALED
TO IRC FOR RELIEF FROM SUCH COMPETITION. BUT WHATEVER
DIFFICULTIES MAY ARISE, SUGGESTS WORST MISTAKE US
COULD MAKE WOULD BE ENGAGE SOCIALIST STATES IN GAME
OF COMPETITIVE SUBSIDIES. KISSINGER

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